THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHABIR PRASAD): (a) As per the information collected from the Government of Kanataka, an investment subsidy of Rs. 429.43 crore is pending for release to the small scale industries by them due to financial constraints.

(b) No, Sir.

(c) Does not arise.

Closing down of SSIs

2533. SHRIMATI BIMBA RAIKAR : Will; the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether the Small Scale Industry units are downing shutters following dereservation of 85 items, listed in the 2004 Budget;

(b) whether Government are aware of the fact that Small-Scale Industry sector is reeling under the impact of shortage of cheap bank loans, with flow of credit to small-scale sector from public sector banks declining over years; and

(c) whether de-reservation of 85 items is likely to deprive many small-scale units the benefits of the Price Purchase Preference Scheme, earlier enjoyed by them?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHABIR PRASAD) : (a) No, Sir. In the Union Budget for 2004-05 presented in Parliament on 8th July, 2004, the Government has; proposed dereservation of 85 items. As per the procedure, items to be dereserved are identified in consultation with the stakeholders. Dereservation of certain items has been done over the years so as to allow greater opportunities to the SSIs for technological upgradation, promotion of exports and achieving economies of scale.

(b)While the quantum of advances from Public Sector Banks to-SSIs has increased over the years in absolute terms from Rs. 38,109 crore in 1998 to Rs. 52988 crore in 2003, the share of SSIs in net bank credit has gone down from 17.5 % to 11.1 % during this period. As per the announcement made in the Union Budget 2003-04, the Indian Banks Association has advised the banks to adopt the interest rate band of 2% above and below their prime lending rates for secured advances. In addition, the Small & Medium Enterprises Fund of Rs. 10,000 crore being

operated by SIDBI has become operational with effect from 1st April, 2004. The maximum rate of interest on loans to be provided from the Fund will be not more than 2% below the Prime Lending Rate of SIDBI, *i.e.* not exceeding 9.5% at present.

(c) Ministry of SSI presently administers two separate policies, namely: (i) Policy for reservation of items for exclusive manufacture in SSI sector and (ii) Purchase & Price Preference Policy. The objectives and considerations behind the two policies are quite different.

Therefore, dereservation of 85 items is not likely to have any direct impact on benefits of the Price Purchase Preference Policy for SSI manufacturers of these items.

Definition of Small Scale Industries

†2534. SHRIMATI KUM KUM RAI:
SHRI EKANATH K. THAKUR :

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether Government are considering any proposal for changing the definition of Small Scale Industries;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHABIR PRASAD) : (a) to (c) Small Scale Industries (SSIs) is defined on the basis of limit in investment in plant and machinery of a unit, which is at present Rs. 100 lakhs, except for a few notified items where the investment limit in plant and machinery for SSI unit is Rs. 500 lakhs. The Government has received several suggestions for revising the limit of investment in plant and machinery. However, a final view has not been taken as yet in this regard.

Export control for satellite systems

2535. SHRIMATI S. G. INDIRA : Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the U.S. licensing divisions for ISRO and

†Original notice of the question was received in Hindi.